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USASAC LEAN/SIX SIGMA TRANSFORMATION

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Initial USASAC Approach to Continuous Process Improvement

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- USASAC began our Continuous Process Improvement program in Aug 04
- We chose to utilized a Lean approach to Continuous Process Improvement
- This approach emphasized Value Stream Analysis (VSA) and Rapid Improvement Events (RIE)
  - Toyota Production System
- We utilized a Sensi to guide us through the initial phase of our program and to help us conduct VSAs, RIEs and provide training
- When we began we had very little guidance from AMC, DA, or DoD on the conduct of process improvement
- In many cases we were in front leading the way in a “transactional” Lean environment

USASAC Lean Program Level of Effort

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- USASAC has conducted 3 Lean/Six Sigma (LSS) Value Stream Analysis (VSA) on Army Security Assistance (SA)
- The VSAs resulted in 23 LSS Rapid Improvement Events (RIEs) that analyzed many of our processes
- The RIEs resulted in over 82 "Projects" and 147 "Do Its“ that resulted in process changes
- To date over 190 Army Materiel Command (AMC) Foreign Military Sales (FMS) Admin Funded personnel have participated in a Lean event or received Lean training
- USASAC alone has had 112 personnel participate in at least one VSA or RIE event

USASAC Continuous Process Improvement Transformation

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- DoD, DA, & AMC are now using and emphasizing a more project based Lean/Six Sigma (LSS) approach for Continuous Improvement
  - Heavy emphasis on the development of Sponsors, Green Belts, Black Belts, and Master Black Belts
  - Heavy emphasis on Green Belt and Black Belt projects
- At USASAC's Aug 06 Lean Alignment Review the decision was made to further transform our Continuous Process Improvement program to a more LSS Project based approach
- USASAC will now utilize the LSS DMAIC Model (Define, Measure, Analyze, Improve, Control) for Continuous Process Improvement
  - Emphasis will now be on belted projects
  - VSAs and RIEs will also be utilized as appropriate

USASAC Continuous Process Improvement Transformation

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- To support this transformation USASAC conducted LSS Sponsor training for all USASAC and SAMD Senior Management in Nov 06
  - Sponsors are now responsible and accountable for project selection and implementation
- USASAC also conducted the first wave of Green Belt training for 25 Army Security Assistance (SA) personnel in Dec 06
  - We currently have 25 chartered Green Belt projects that have just passed a tollgate review and moved through the Define Phase and into the Measure phase of the DMAIC model
- USASAC will have an additional 25 SA Green Belts trained during the May/Jun 07 timeframe
- These Green Belts and the development of Black Belts should give us the personnel and tools required for an effective and organic Continuous Process Improvement program.

USASAC LSS Cost Savings & Efficiencies

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- Cost by itself can be meaningless
  - We need to tie together cost, activity, performance (SMS), & workload to paint the entire picture
- LSS efficiency gains are not "found money". We are already dealing with declining FMS Admin budgets
- We are using LSS to maintain or increase performance in Army SA processes while budgets continue to decline and workload remains about the same or is increasing
- We have already taken a 15% cut FMS Admin Dollars from FY04 baseline
  - This equates to an even larger percentage cut of workforce
- We need to begin budgeting and re-aligning resources based on event and project outcomes

LSS Metrics Methodology

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- Savings/Cost Avoidances
  - PBC data or actual
    - Base line established based on available data and when RIE took place (i.e., measured against FY04, FY05)
    - Comparison of dollars reported over time at either Activity Code or Core Function level
  - Without available PBC data, savings estimates from RIE team leader based on MCT, etc.
- Barometers for Dashboard
  - Workload – CISIL and DSAMS data
  - Quality/Performance – Case and 9YD Analyzer, CISIL and DSAMS data aligned with SMS where possible

Overview RIE #7
CPM/CCM Roles & Responsibilities

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- Purpose was to clarify the roles and responsibilities of CPMs & CCMs
- Developed a recommended future state and redefined the roles and responsibilities of CPMs & CCMs
- Defined Non-complex cases
- Revised USASAC 10-1 on the roles and responsibilities of CPM and CCM
- Defined the process & tasks that make up CPM "Firefighting" as identified in VSA
- Metric: Cost & Quality
  - Savings to CF02 Activities

Metrics RIE #7
CPM/CCM Roles & Responsibilities

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- Actual PBC Reporting: Decrease of about 7 work-years in CF2
- Workload: Increase in number of LOAs and Amendments processed
  - +13.7% increase over base line FY04-FY06 value
  - +9.5% increase in FY06 alone
- Performance / Quality (FPY): LOAs prepared with-in 120 Days
  - FY06 value is 97% of base line FY04 value
- Intangibles:
  - USASAC end strength is down, but workload increased
  - Transition of function creates trained workforce for key Case Development functions in anticipation of USASAC-Fort Belvoir BRAC move

What is really happening?

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- Although we are showing savings in PBC what are we really seeing?
  - We have less dollars and people then we had in FY04
  - Are these savings all a result of this shrinkage?
  - Would we have shown these savings even without LSS?
- Have we re-deployed any employees based on a LSS event?
- Can we claim success if we are receiving 15% less FMS Admin Dollars and workload and performance remain the same or have increased?
- Are we using LSS results to drive budgets, to do re-deployment, and to do re-alignment of resources?
- Is LSS being used to implement command strategy?

Questions?

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